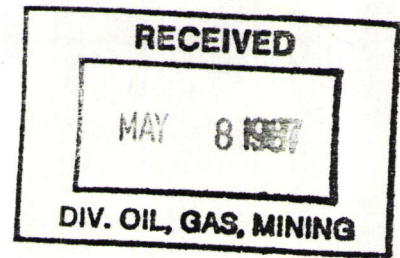


GENEVA WORKS



United
States
Steel
Corporation



P. O. BOX 510
PROVO, UTAH 84603

KEIGLEY QUARRY

P.O. Box 20 B
RFD #1
Santaquin, Utah 84655

Mr. Lowell P. Braxton
Administrator
Mineral Resources Development
And Recreation Program
355 West - North Temple
3 Triad Center
Suite 350
Salt Lake City, Utah 84180 - 1203

Dear Mr. Braxton:

Re: 1986 Annual Report and Reclamation, Iron Mountain Mine.
Pro/021/008 Iron County, Utah.
Annual Report and Status of Haulage Road at Desert Mound Mine.
ACT/021/003, Iron County, Utah
Status Report and Discussion on Permit for Keigley Quarry.
ACT/049/001 Utah County, Utah.

PRO/021/008 Iron Mountain Mine, Iron County, Utah:

The Black Hawk Fines Area (Stockpile) was Rounded and Re-Seeded. The Haulage Road Area was Scarified and Re-Seeded. The Equipment Parking Area was cleaned up, Scarified, and Re-seeded. This was accomplished in June, 1986. The Railroad Loading Area is still being used as a storage area for about 2,000 Net Tons of Iron Ore and will be Reclaimed when the ore is shipped. This area covers approximately 2.0 Acres. (See Attached K-24 Map)

ACT/021/003 Desert Mound Mine Haulage Road
Annual Report of Desert Mound Mine and Haulage Road.

Please find attached a copy of the letter from the Board of Iron County Commissioners and their acceptance of the Haulage Road usage and maintenance in exchange for future Sanitary Land Fill Properties. Mr. Thon Gin is currently working on transferring Property Ownership to Iron County.

Water level monitoring of the Mountain Lion Pit:

On April 1, 1985, a steel rod was placed in the South end of the Water Impoundment at the Mountain Lion Pit. The Rod was 6 feet in length, having notches in it at 12" intervals, with the rod painted white and the intervals painted red. On the above date, the Rod was driven into the Impoundment to the exact water level and was monitored on monthly intervals as follows: (Measurements will be from the April 1 Base - either plus or minus)

April 1, 1985	0
May 6, 1985	+3/8"
June 3, 1985	+ 2 1/4"
July 5, 1985	+ 3/4"
August 5, 1985	- 1 1/4"
September 2, 1985	- 1 3/4"
November 14, 1985	- 2.0"
December 8, 1985	- 1.0" (Frozen)
January 6, 1986	- 1" (Frozen)
March 12, 1986	- 1/2" (Thawing)
April 9, 1986	+ 1/4"
May 7, 1986	+ 3"
June 11, 1986	+ 4 1/2"
July 9, 1986	+ 2 1/2"
August 4, 1986	- 1.0"
September 10, 1986	- 2 1/4"
October 8, 1986	- 2 1/4"
November 12, 1986	- 3/4"
December 24, 1986	- 3/4" (Frozen)
February 1, 1987	Approximately 0 (Snow on ice, couldn't determine for sure.)

Using April 1 "0" as base, the water level varied from +4 1/2" in June, 1986 to a -2 1/4" in three months, October, 1985 and September and October, 1986, a variation of 6 3/4". Noteworthy, however, the level was still below the Spillway by about 18" at the highest level.

SLOPE STABILITY MONITORING OF WASTE DUMPS:

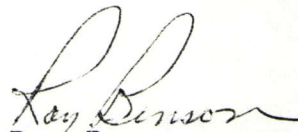
On the last inspection, the division felt a need to monitor slope stability on the waste dumps at the Mountain Lion Mine. On April 9, 1985 monitoring stakes were placed to note if any movement had taken place. On August 4, 1986 measurements were taken to determine movement, either vertical or horizontal. No movement was detected at this time. Personally, I feel that most of the movement will occur in the damp winter and spring months. It is my intention to go back to the Mine in June or July of 1987 and see if any movement has occurred over the past 10 months and at that time I will file a report to the Division on my findings.

ACT/049/001 Keigley Quarry Permit Status.

The Keigley Quarry Permit Status is unchanged and was submitted in 1977 for approval. At that time, with the Backlog of Permits, the Department chose to hold this permit in abeyance. The current status is that if we are sold the Reclamation responsibility will be worked out and transferred to the new owner. If we close, USX will be responsible for the Reclamation.

If I can be of any further assistance, please feel free to contact me.

We probably should schedule a meeting in the near future to review the progress of the different projects together.



Roy Benson
Area Manager
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